From:	Stan Sokolowski <ssokolowski@cifc.com>
To:	Stan Sokolowski <ssokolowski@cifc.com>
CC:	
Date:	Fri, 9/18/2015 6:39:35 PM
Subject:	Daily Update

Quote of the Day

"I know you think you understand what you thought I said, but I'm not sure you realize that what you heard is not what I meant" – Alan Greenspan

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- The Fed stayed dovish and didn't do it yesterday and gave some Greenspan mouth work to go along with it. Lower for longer. Risk was whipsawed as investors struggled to interpret the outcome (the Dow experienced a 300 point sell off at one point). Why didn't they? What does it mean? When will they? How do we position? Etc…etc…etc… The water cooler wizards will be out in force today. First of all, don't fight the fed. Markets may think the FOMC are "incapable" at times but they made a statement on their estimate of the future. We should be listening… The headline(s), in my opinion: 1) expectations for growth are low and 2) they are worried about developments overseas and potential impact on the US economy (is this a new decree their mandate of full employment and balanced inflation?....). Importantly, the Fed lowered their long term growth forecast to 1.8% to 2.2% (from 2.0% to 2.3%). Based on yesterday's projections (and Fed Funds Futures) it is doubtful that rates will increase this year. There will be winners and losers. Today, European and Japanese equites and US futures are getting hit while rates rally and the US Dollar heads to support as the lower growth narrative sets in. As a reminder, a good case study on predictive price action is US equity performance this year. The Dow is now down 6.44% and the S&P is down 3.34% ytd. Please insure you are watching the price action in equities, bonds and loans in your industries and issuer capital structures. In news to watch, Flash PMIs are coming, Yellen speaks on Thursday, Obama and Xi meet next week and the US government needs a spending deal in place by 30 September. Happy Friday. Futures: -25. 10 year: 2.14%

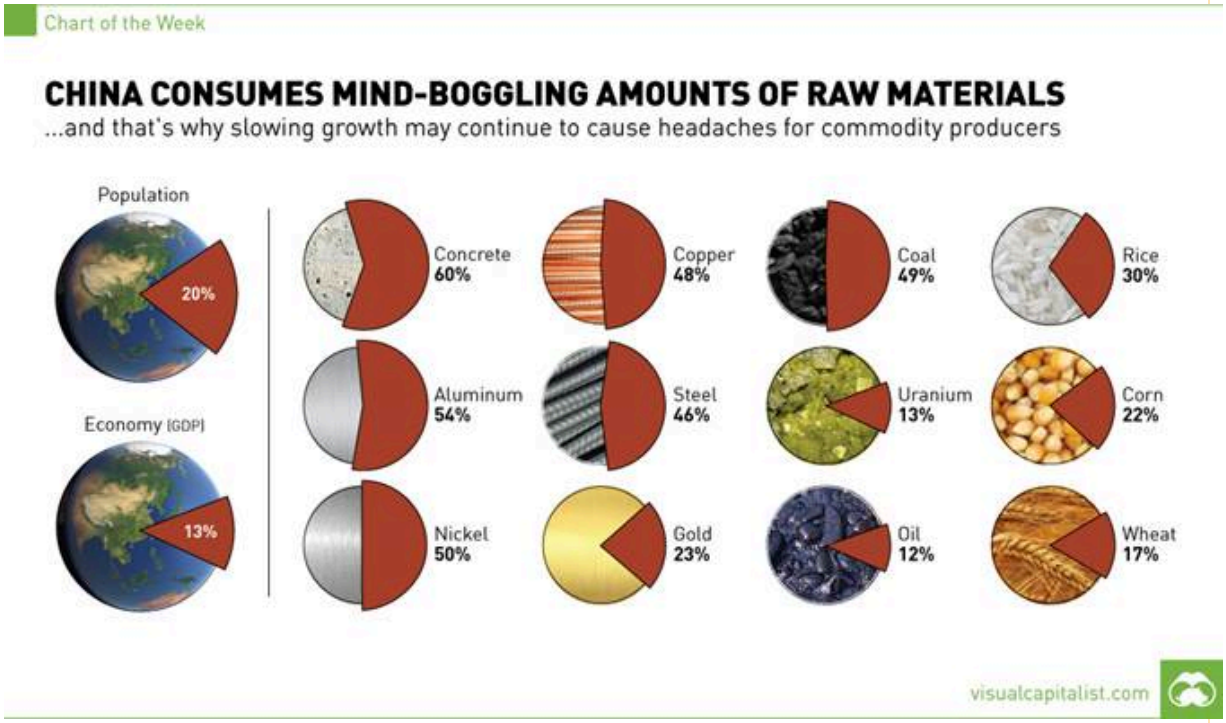
- Data: Leading Indicators later this morning. Expectations are 0.2%

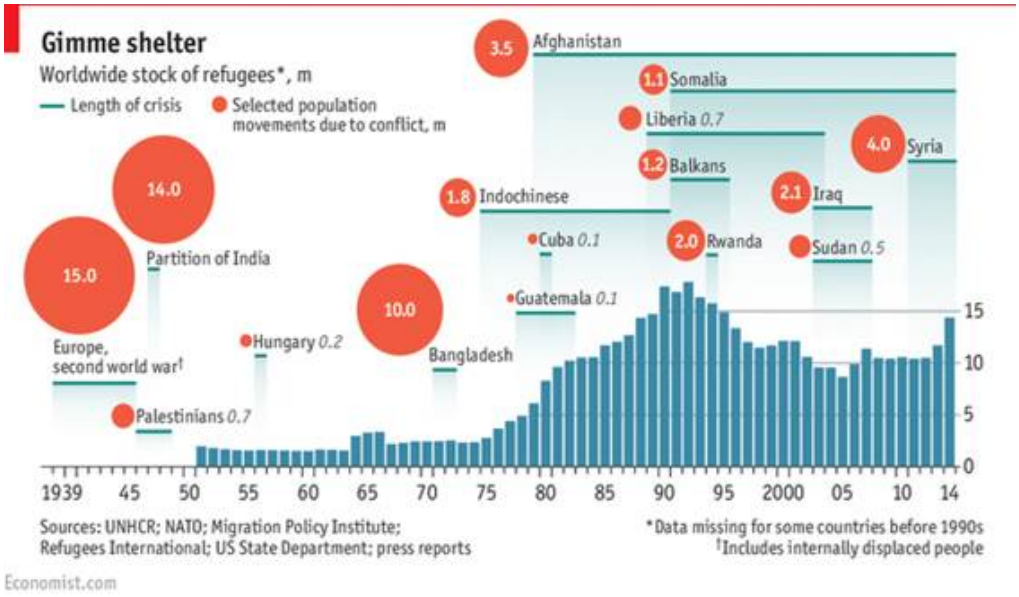
- Credit: Starting flat today. The bias will be weaker in sympathy with equities. We are hearing that there are a couple of new SMAs ramping high quality loans. Please re-review your portfolios for issuers who need above trend growth to service their obligations. Interesting perspective on the IG market:

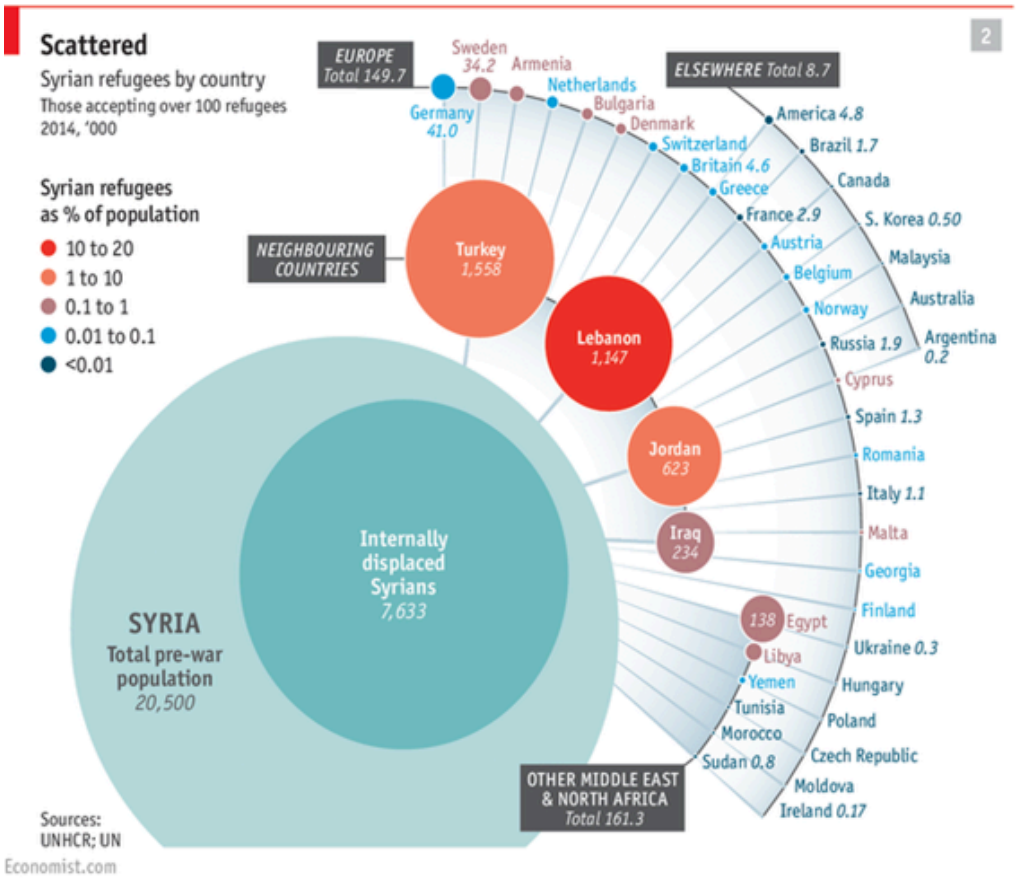
Chart 3: The US IG market has almost doubled in size since the end of2007

Source: BofA Merrill Lynch Global Research

- Charts of the day:



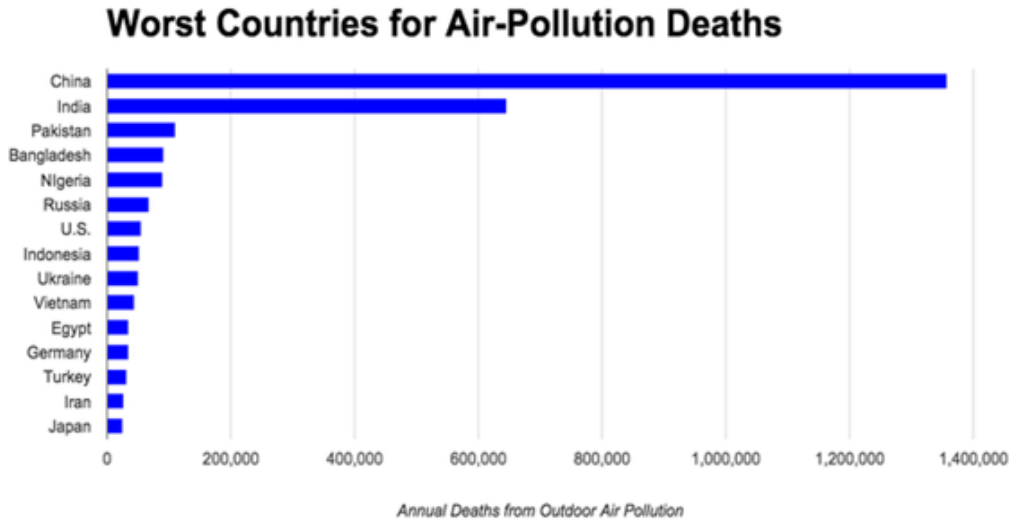




Courtesy: J. Silcock, CIFC Asset Management

- Other:
  - Defaults Mount in Beleaguered Energy Industry http://www.wsj.com/articles/defaults-mount-in-beleaguered-energy-industry-1442533735

- Sources say the Dolans decided to sell CVC as the Drahi price was “too good to pass up”; meanwhile, Charles Dolan is concerned w/some secular trends in the industry such as “net neutrality” and “cord-cutting” http://www.wsj.com/articles/dolans-cash-out-of-cablevision-1442524423?mod=wsj_nview_latest
- Fresh….



- HY: 104 7/8 (-3/16)
- IG: 77 5/8 (+3/4)
- CSLLI: 0.09% mtd / 2.38%

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